

THE CHARGES PROVED.

A REJOINDER

TO THE

REPLY OF THE BIBLE-HOUSE OFFICIALS.

PREPARED AND PUBLISHED BY THE EXECUTIVE COMMITTEE
OF THE CONNECTICUT BIBLE SOCIETY.

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The following action was taken by the Executive Committee of the Connecticut Bible Society at a meeting held in Hartford, December 19, 1881.

REJOINDER.

The Executive Committee of the Connecticut Bible Society, having carefully considered the recent reply of the officers of the American Bible Society to certain charges made by this Committee—a reply which is now understood to have been adopted, by a vote of the Board of Managers, as theirs—desire to submit to the Christian public some additional statements.

I. The reply opens with an attempt to belittle the influence of the Connecticut Society, and impugn its right to criticise the administration of the American Bible Society. It states that the contributions of the Connecticut Auxiliary to the National Society for the last three years and eight months have been nothing, and for the last nine years only \$660 all told.

The facts are these. For three years and eight months the Connecticut Bible Society has been doing in Connecticut the work which, at the beginning of that period, the national Society abandoned to its auxiliaries, and has been using all its funds for that purpose. During the earlier portion of the nine years referred to, the Connecticut Society spent thousands of dollars in benevolent work on its own field; and during the whole period it has paid the national Society more than \$17,000 for books. It has paid the American Bible Society in donations \$57,736.47, and for books \$63,594.64;—in all, \$121,331.11.

But the Connecticut Bible Society occupies a territory which has sent large gifts directly to the national organi-

zation. The State of Connecticut has contributed to the American Bible Society donations and legacies amounting to \$485,456. If we add payments for books, the aggregate is \$657,859; and this does not include the individual and congregational collections of twenty-five years, of which we have no data. For a series of years, the donations and legacies of Connecticut to the national Society were much larger in proportion to its population and wealth than those of any other State in the Union, and absolutely larger than any State save one.

It is not surprising, therefore, that the Connecticut Bible Society should assume an equal, if not a preëminent right and obligation, as compared with other State auxiliaries, to demand a faithful administration, and an unequivocal report of the funds consecrated to the cause she has so "warmly cherished."

II. The Managers in their reply speak of the Connecticut Bible Society as "never invited to send a committee to investigate the financial affairs of the Society." We cannot tell whether in this seemingly explicit but really ambiguous assertion, the Management intend to have emphasis laid on the word "invited," or on the words which describe the object of the visit—"to investigate the financial affairs of the Society." But that they professed to have nothing to conceal, and did invite us to send down a committee to examine the condition of affairs at the Bible House, is on record, and (if we may use the phraseology of the Management) "does not admit of denial by any responsible being who knows what language means."

They not only assert that we were not "invited to investigate"; they go further, and say, "The Society was under no obligation to its auxiliary to open its accounts to its inspection"; they speak of our special committee as

"*admitted* to a confidential interview," as "*permitted* to inspect" their accounts; and they announce that they have "never asked the Executive Committee of the Connecticut Bible Society to assume responsibility for the conduct of the business done in New York, and which they themselves are competent to direct"; and that they "do not propose to ask their sanction for doing the work which the providence of God has committed to us."

These expressions reveal that fundamental sophistry and self-deception in the officials of the American Bible Society, which for years has impaired their relations to the public, and has brought upon them all their woes. They assume that we (and we speak as representing millions of contributors), we who by our gifts have built up that great corporation have no right to criticise the administration of our own funds or to demand a complete and intelligible yearly exhibit of our business as conducted by them, our servants. On that great point of difference between us and the officers of the American Bible Society, we appeal to the sense and conscience of all Christian people, and especially to the numberless contributors by feeding upon whose generosity these Cæsars have grown so great.

III. In our recent public arraignment of the national Society, we charged upon its officers that in their last Annual Report they had understated its assets and overstated its benevolent expenditures, thus producing a false impression respecting its financial standing and the extent of its benevolent work; and under this charge we made several important specifications. We notice with surprise and regret, that in the "response" of the Managers these specific charges are not met, except by evasions and bold denials. It becomes our duty, therefore, to reiterate our

former complaints, and to show more fully the basis on which they rest.

1. Our first charge was that in the balance-sheet printed on pages 144 and 145 of the Annual Report, the very large item of \$197,146.72, which ought to have been included among the assets of the Society, was entirely omitted. We knew officially, through the special committee which we had sent to the Bible House upon the invitation of the Secretaries, that the foreign assets stood upon the books, valued at the sum above named; yet in the balance-sheet, published three weeks after the visit of our committee, this amount has disappeared, and the only allusion to the foreign assets is the vague and misleading statement, in a foot-note, that "if they possess any commercial value, it is so entirely uncertain that it can not be tabulated." This method of disposing of an item amounting to nearly two hundred thousand dollars we looked upon as doubly wrong: the principle was mischievous, and the assertion that the value of these assets "could not be tabulated" was false, as proved by the fact that they were tabulated already.

What is the reply of the Managers? How do they explain to the public the glaring discrepancy to which we have called attention? They tell us this: that in the presence of our special committee the question had been discussed whether the account with "foreign agencies" ought to be expressed in figures or not, and that one of the members of our committee had contended that it ought not. Do they seek in this way to shift from themselves to others the responsibility of adopting a course which has made their financial exhibit a disappointment and a delusion? If they do, they will not succeed. The public will see in this what we have seen,—one of the several attempts that have been made to minimize the assets of this great

and prosperous corporation. It ought to be borne in mind that this balance-sheet was the first complete financial exhibit ever undertaken by the Management of the American Bible Society. It was designed to allay an uneasiness and suspicion in the public mind, which had so increased that silence on the part of the Society was no longer possible. Under these circumstances, the obliteration at a single stroke of an item so large, and embracing, it is conceded, thousands of dollars in cash, was not only an unjustifiable suppression of facts, but a grievous blunder. We call for a complete inventory of what is "due from foreign agencies."

2. Our second charge was that the balance-sheet of the Society, besides altogether omitting the large item of foreign assets, revealed a serious understatement of the value of the assets named in it. This charge is boldly denied. The Managers assert, in so many words, that "the balance-sheet does not reveal an understatement of assets."

What, now, are the facts upon which our charge is founded? They are these: First, that the Bible House property, entered in the balance-sheet at \$304,000, is worth, according to the actual estimates of five of the best judges in the city of New York—experts in real estate—more than double that amount. The average of the five estimates is above \$700,000. Secondly, that the securities entered in the balance-sheet, under the head of "Temporary Investment," at \$549,232, were worth in the market, at the date of the report, nearly \$50,000 more than that sum. Thirdly, that certain funds, amounting to \$82,000, which are entered in the balance-sheet as debts of the Society, are not debts in any true sense of the word, but funds owned and enjoyed by the Society.

Now we are well aware that there are two opinions among men of business on the question whether such a

property as the Bible House should be entered at cost or at its present market value. But we do not see why a Society which enters property that has depreciated—such as presses, plates, etc.—at its present value, should not adopt the same treatment in regard to property which has advanced. Again, it is claimed that in a “ledger balance,” trust funds which are subject to certain limitations ought, because of these limitations, to appear on both sides of the balance-sheet. But such explanations as these do not cover the case. The undervaluation of one or another item might be a matter of no great importance. But what shall we say when the discovery is made by experts that every item of assets in the balance-sheet of the American Bible Society, for the verification of which means exist outside of the Bible House, is understated in its value? No wonder, if such a fact as this leads irresistibly, in many minds, to the conclusion that there was a deliberate purpose to deceive the public in regard to the resources of the Society. In view of these suspicions, we suggest to the Management of the American Bible Society that it is not wise to take refuge behind technicalities of book-keeping when arraigned for their failure to fulfil their promises. The promise given to us was that in the Annual Report for 1881 a financial exhibit should be made which would allay suspicion and satisfy the Christian public. And if, by reason of the requirements of book-keeping, that could not be accomplished by the publication of a balance-sheet, then it was the duty of the Managers to give, instead, a financial summary adapted to the popular mind. We wish it distinctly noted that we never asked for a ledger balance. We asked rather, and were promised, a statement which, while it should be full and true, should be readily understood by all men of common intelligence. In that we have been disappointed. And it seems to us

exceedingly unfortunate that in this first setting forth of its financial condition, in response to a demand which could no longer be resisted, the American Bible Society should have so signally failed, and that its officers should at the same time have the effrontery to say in regard to their exhibit: "That the statement is frank and full and clear, does not admit of denial by any responsible being who knows what language means."

The attempt to palliate the course of the Society in understating its assets, by citing the practice of banks and other moneyed corporations, is fallacious. These institutions are largely dependent for success upon the magnitude of their assets; but a benevolent corporation flourishes upon its reputation for poverty. To win contributions, it sets forth not its capital, but its need; and thus the temptation which besets it is the opposite of that to which other moneyed institutions are exposed. To this temptation the American Bible Society seems to have yielded, and has thus involved itself in wrong. If it is fraudulent in a bank to overstate its assets, it is fraudulent in a benevolent society to understate its assets. And it does not serve as a sufficient defence of this Society to show that certain other benevolent and missionary organizations have omitted to give to the public a complete account of their foreign assets. This Society occupies at this very hour, and has long occupied, an exceptional position as the object of criticism, on account of its persistent and suspicious reticence. It was called upon to make, and promised to make, an absolutely complete statement of its financial affairs. The promise being broken, it constitutes a poor apology to point to the practice of other societies. An honest pledge to do better would be far more acceptable to the public, and more likely to avert impending disaster.

3. Our third charge had reference to overstatements of expenditure. We called attention to the fact that on pages 42 and 43, in the report of the Managers, there is an overstatement of expenditures "in strictly benevolent and missionary work" to the amount of \$117,700. This also is boldly denied by the Management of the American Bible Society. They say, "*No overstatement of expenditure in strictly benevolent and missionary work is found on pages 42 and 43. . . . Every dollar of money and every dollar's worth of books there summarized belongs there, and needs to be taken into account in a review of the year's work.*" Here is a flat contradiction, suggesting that on the one side or the other there must be either a strange misunderstanding or a bold misrepresentation of the facts. Let us see how the case stands. It will be necessary to enter somewhat into details; but we feel sure that all true friends of the Bible cause will thank us for our explicitness.

The pamphlet entitled "Sixty-fifth Annual Report of the American Bible Society" contains, besides various miscellaneous matters, first, the report of the Board of Managers (pp. 25 to 132); secondly, the report of the Assistant Treasurer (pp. 136 to 145); and thirdly, a special report of the Committee of Finance (pp. 146 to 157). From the nature of the case, the last two reports are to a considerable extent technical; the statement prepared for the eye of the general reader is embraced in the long report of the Managers. Part of this statement relates to "gratuitous distributions and appropriations," and is so entitled on page 42. Here the Managers present in a popular form, divested of technicalities, their account of the benevolent expenditures of the year; and their summary on page 43, is in these words: "The strictly benevolent and missionary work of the Society, in the home and foreign fields, has thus involved an expenditure of \$342,585.90." It was

with reference to this assertion that we charged upon the Managers "an overstatement of expenditures in strictly benevolent and missionary work to the amount of \$117,700." The Management explicitly deny that there is any overstatement of benevolent expenditure, and they are therefore on record to-day as declaring that the benevolent outlay of the Society for the past year amounted to \$342,585.90. We are aware of the ambiguity which lurks in the phrase, "*involved* an expenditure"; but by the use of such words as "gifts," "grants," "gratuitous distributions," "strictly benevolent and missionary work," the impression is produced, and produced inevitably, that the outgoes of the Society for which no returns in money were received (for no other outgoes could be defined as "gifts") amounted to the sum named on page 43. Let us see.

In the first place, it appears from the statement of the Managers on page 32, that the total receipts of the Society for the year were \$606,484.96. Of this amount, however, \$266,229.26 were the proceeds of sales. But sales at cost constitute no addition to the resources of the Society for benevolent work. Accordingly, to ascertain the actual resources, this item must be deducted; and we have a remainder of \$340,255.20.

It appears further, from the report of the Assistant Treasurer, and from subsidiary reports of departments, that during the year the "investment" and "cash" accounts were increased by more than \$31,000, and the assets in the manufacturing department and the depository by nearly \$15,000 (in addition to the profits of manufacturing, which, according to the Report, were about \$12,000); furthermore, that alterations in the Bible House cost nearly \$10,000; the printing of the Annual Report, of the Bible Society Record, and of circulars, nearly \$8,000; taxes,

insurance, fuel, etc., over \$14,000; and the salaries of officers, \$25,850; to which must be added over \$11,000 for sundries, not for benevolent purposes. The exact amount of these items is \$115,369.40. Now this sum, nearly one half of which was not parted with at all, and the remainder of which cannot with any propriety be included under the head of "gifts," even when we assign to the word its broadest meaning, must be deducted from the income of \$340,255.20, if we would ascertain how much was actually *given* "for strictly benevolent and missionary work." The remainder is \$224,885.50, which is less by \$117,700 than the amount mentioned on page 43 of the Annual Report. The overstatement of "benevolent expenditure," therefore, is substantially what we declared it to be, unless the report of the Assistant Treasurer is incorrect. But its correctness is guaranteed by a highly respectable auditing committee, who are members of the Board of Managers.

It may be remarked further, that although the Management in their reply assert that there is no overstatement of benevolent expenditure, the Assistant Treasurer admits, in a published letter of October 11th, that of one of the so-called gifts—an item of \$73,313 "for colportage work"—the larger part, namely, \$53,000, came back into the treasury, being the proceeds of books sold. He specifies returns of this kind amounting to over \$67,000, and alludes to still others; so that to this extent the correctness of our charge is acknowledged. But as matter of fact, returns in cash from the so-called gifts can be traced to the amount of \$90,334.11. By adding discount on sales of books, amounting to over \$17,000, and various other items of outlay, the benevolent character of which is very doubtful, the entire amount which we have stated is easily made out.

These statements of ours may be verified by any one who is familiar with the simplest operations in arithmetic, and will take the trouble to examine carefully the Annual Report. And yet the Management have the boldness to accuse this committee of giving its "endorsement to misrepresentations and assaults which are unfounded and demonstrably false." In common with the long-suffering public, we wait anxiously for the demonstration of their falsity.

4. The only other charge made by us was in this form: "That the Secretaries (page 43) have apparently duplicated the item of \$44,435.91 for salaries and expenses of colporteurs—these salaries and expenses having been presumably included in the item of \$73,313.69, mentioned on page 42 as expended in 'colportage work.'"

The reply to this is remarkable. It is not probable that it was meant for a concession, and it certainly is not a denial. The lurking ambiguity which we have met with so often, looks out upon us here also. It reads as follows: "The conjecture of the committee that \$44,435.91, paid for salaries and expenses of colporteurs, is in part identical with the valuation of books sent to colporteurs, is a mere surmise, which has not a shadow of support in any of the statements sanctioned by the Board."

Our statement, although cautiously worded, was more than a "surmise." It rested in part upon a strong conviction—the result of our knowledge of the usage of the American Bible Society. But the time seems now to have come for announcing that we had other ground to rest upon. We had the explicit acknowledgment of one of the general officers at the Bible House, made in a personal interview, that the sum of \$73,313 granted in books for "colportage work," was used so far as necessary to pay the salaries and expenses of the colporteurs. The item of

\$44,435, therefore, which is set down as paid for their salaries and expenses, is included in the \$73,313, and is, so far as it goes, a duplicate. The acknowledgment to which we refer may not have been "sanctioned by the Board," but it will be welcomed by the public as a help toward a complete unraveling of the tangled finances of the American Bible Society.

IV. Such are our charges, and the facts upon which they are based. The Managers of the American Bible Society are either aware of these facts, or else are guilty of a serious neglect of duty in not informing themselves. Yet they give their approval to a circular in which this committee are accused of "misrepresentations and assaults which are unfounded and demonstrably false." The tribunal to which we appeal is the Christian public. We await, without anxiety, their final verdict. But meanwhile, let us remember that the chief question is not whether we or they are right in this or that matter of detail, but what impression they produce upon the whole, and what their motive is in producing it. The impression which the Annual Report would naturally produce upon the general public is, that the assets of the American Bible Society are smaller than they are in reality, and that its benevolent expenditures are larger. For this impression the authors of the report are responsible, and the Managers by adopting it as theirs become sharers in the responsibility. We cannot help asking these gentlemen whether they perceive that they are giving their sanction to practices which secular corporations would not tolerate, and which savor of an unchristian shrewdness. However desirable it may be that the American Bible Society should be considered poor rather than rich, it is not desirable that through any anxiety to prove its poverty it should

expose itself to a suspicion of dishonesty. The true way to avert this danger is to adopt such methods of business as will bear the severest tests, and to court rather than evade publicity. If secular corporations must submit, from time to time, to the closest scrutiny (in fact to frequent investigations by government officials), under penalty of forfeiting the confidence of their patrons, why should not a great benevolent institution, which is subject to no such compulsory supervision, be not only willing but anxious to let the public know precisely how it stands?

V. It has been suggested by many public journals, of late, that in the present state of things the American Bible Society must submit its affairs to an examination by a committee of experts so chosen as to satisfy all parties. We declare our conviction, that such an examination, important as it may be, could give to the Christian public nothing more than a superficial and transient peace. What is needed, now and ever, is that that benevolent corporation be brought, in some way, into an organic connection with its constituency. Possibly this could be secured through the ecclesiastical bodies from whose members the Society derives its financial support, these bodies being permanently represented in the administration of the Society by commissioners appointed by them, annually or otherwise. The necessity of a public convulsion, in order to the rectification of this or that in the management of the Society, would thus be forestalled, and the spectacle of a great charitable organization in controversy with its constituency would be a thing of the past.

The signs of the times point to a day when this, or some equivalent mode of securing responsibility to the public, will prevail in all our boards of benevolence.

